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PRESS RELEASE

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**Former owner of Triad Business Services Sentenced to 36
Months for tax fraud conspiracy in which company sought
unlawful tax refunds for clients**

Washington, D.C. - Henderson Joseph, the former owner of Triad Business Services, was sentenced today by Judge Richard Leon, United States District Court for the District of Columbia, to 36 months incarceration, a \$50,000 fine, and 36 months of supervised release, announced Acting U.S. Attorney Channing D. Phillips and C. Andre' Martin, Special Agent in Charge, Internal Revenue Service, Criminal Investigation. The sentencing arises from Joseph's guilty plea on January 29, 2009, in connection with a massive tax fraud conspiracy in which Triad Business Services sought over \$500,000 in fraudulent tax refunds for its clients.

Prior to this investigation, Triad Business Services, a local tax preparation service, had offices in the District of Columbia, Richmond, Virginia, and Baltimore, Maryland. As owner of Triad, Joseph masterminded a scheme to file fraudulent refunds for hundreds of clients by falsifying itemized deductions and credits on the clients' individual tax returns. The fraudulent income tax returns contained inflated or fabricated itemized deductions, such as charitable contributions, job expenses, and other miscellaneous expenses to which the taxpayers were not entitled. False credits were also claimed for education and child care.

As part of the scheme, Joseph instructed other Triad managers to file fraudulent client tax returns as well – thereby increasing the refunds the taxpayer/clients would receive, increasing Triad's fees, and increasing repeat customers who would return in successive years. All of the tax returns prepared at the Triad offices were reviewed by Joseph and then electronically transmitted to the IRS. In April 2006, a federal grand jury returned a nine-count indictment charging Joseph and a Triad office manager, Marcelle L. Stephens, with tax fraud and related offenses. Stephens pleaded guilty and agreed to cooperate with the government; two other office managers, Draphet Moody and Nicole Williams, pleaded guilty prior to the indictment.

The IRS has proceeded civilly against the taxpayers whose returns were falsified, seeking repayment of the unlawful refunds, plus interest and penalties. Those taxpayers who lack

documentation for the previously claimed deductions and credits have conceded the IRS' assessed tax liability and repaid the wrongfully issued tax refunds.

"This case highlights that we will vigorously prosecute and hold accountable those who seek to unlawfully obtain money by manipulating our federal tax system. Taxpayers are reminded to scrupulously review a tax return prepared by their tax return preparer and question any credit or deduction which they did not in fact incur or for which they lack appropriate documentation," said Channing D. Phillips, Acting U.S. Attorney for the District of Columbia.

"Tax refunds are issued to taxpayers who are entitled to them. IRS-Criminal Investigation will continue to aggressively pursue those who file false tax returns to claim tax refunds for which they are not entitled," stated C. André Martin, Internal Revenue Service-Criminal Investigation Special Agent in Charge. "Willfully filing a false tax return is the same as stealing and there are serious consequences."

In announcing the guilty plea, Acting U.S. Attorney Phillips and IRS Special Agent in Charge Martin commended the work of IRS Special Agent Charles Jones and the staff of the U.S. Attorney's Office, including Assistant U.S. Attorney Sherri L. Schornstein, who prosecuted the case.

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